



CITY OF HAYWARD AGENDA REPORT

AGENDA DATE 05/02/00

AGENDA ITEM 3

WORK SESSION ITEM

TO: Redevelopment Agency Board

FROM: Director of Community and Economic Development

SUBJECT: Authorization to Purchase the Victorian Structure at 752 B Street and the Land on 742 B Street, and to Relocate the Newman Towers Structure to 742 B Street.

RECOMMENDATION:

It is recommended that:

1. The Redevelopment Agency Board approve the contract with Albertson's, Inc. to purchase the three-story Victorian structure at 752 "B" Street, also known as "Newman Towers," and the adjacent parcel located at 742 "B" Street; and
2. The Redevelopment Agency Board appropriate funding from the Redevelopment Agency funds for the purpose of acquiring the three-story Victorian structure at 752 "B" Street and the adjacent parcel located at 742 "B" Street; and
3. The Redevelopment Agency Board authorize the Agency's Executive Director to issue bids and subsequently contract with selected firms to relocate the Victorian structure from its current location to the adjacent vacant lot at 742 "B" Street and to set the house on a foundation.

BACKGROUND:

The Disposition and Development Agreement (DDA) and the Conditions of Approval in the Site Plan Review for the Albertson's retail project at Mission and "A" Street required that the Developer attempt to acquire the lot located at 742 B Street and to offer the Victorian structure known as Newman Towers for sale to a nonprofit organization that would rehabilitate the structure. In addition, the developer was to pay for the cost to move the building, and set it on a foundation at the new location. In the event that an appropriate buyer and site could not be identified by the time the Developer received a grading permit for the project site, the building could be demolished. (Subsequent to the approval of the project, Albertson's purchased the vacant lot at 742 "B" Street for the purpose of relocating the structure onto the site.)

At the public hearings held for the Albertson's development, the tenants of the Victorian structure expressed their desire to remain as tenants of the building. Consequently, the

Redevelopment Agency committed to make reasonable efforts to create opportunities for the tenants to move back to the Victorian structure once it has been physically relocated to an approved site. As part of the relocation process, the two qualifying tenant households at the Victorian structure were offered the opportunity move back to the Victorian structure. In the end, both tenants decided to take the option of a permanent relocation package rather than return to Newman Towers.

The tenants' decisions to permanently relocate rather than return to the building eliminated the Redevelopment Agency's obligation to make it available as affordable housing for the current tenants. Moreover, the Agency staff has determined that rehabilitation of the structure would be quite expensive and more efficient methods of producing affordable housing are available. Consequently, staff recommends a different course of action to be taken for this project. It is now proposed that the Agency itself acquire the Newman Towers structure and the adjoining lot from Albertson's. The Agency would then move the building to the lot, set it on a foundation and make it available for rehabilitation and re-use. Potential future uses of the building may be as residential, office or a combination of the two.

Discussions with Albertson's regarding the potential sale of the structure to the Agency have resulted in a proposed sale price of \$165,000 for the Victorian structure and the parcel at 742 "B" Street. This sale price equates to Albertson's cost for purchasing the structure less the estimated cost for the relocating the structure and placing it on a new foundation. There is essentially no cost for the lot.

To complete the relocation of this Victorian structure and place it on a foundation, the Agency staff requests an appropriation in an amount not to exceed \$250,000 from the Redevelopment Agency fund, for the following items:

Purchase of structure and adjacent vacant lot:	\$165,000
Escrow and closing costs:	\$5,000
House moving costs:	\$30,000
Foundation costs:	\$30,000
Structural design and associated engineering fees:	\$10,000
Contingency:	<u>\$10,000</u>
Total Estimated Cost:	\$250,000

Subsequent to the house move, staff will return to the Redevelopment Agency Board to discuss the disposition of the property.

Prepared by:

Maret Bartlett
Maret Bartlett, Redevelopment Director

Recommended by:

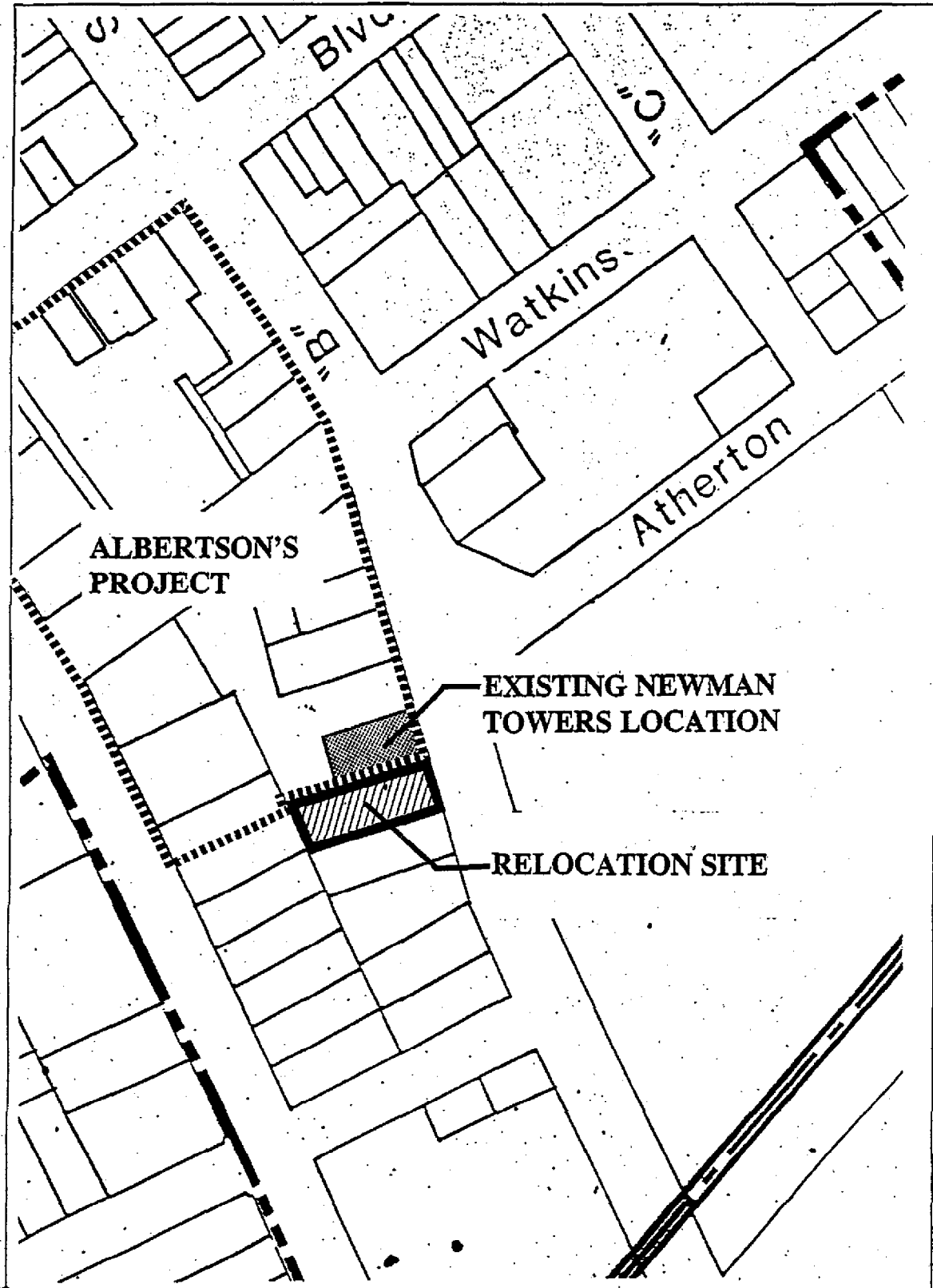
Sylvia Ehrenthal ^{nms}
Sylvia Ehrenthal, Community and Economic Development Director

Approved by:

Jesús Armas
Jesús Armas, City Manager

Attachments: Exhibit A - Site Map
Resolution

EXHIBIT A



REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD

RESOLUTION NO. RA-___

Introduced by Agency Member _____

DRAFT

JM 4-26-10

RESOLUTION AMENDING RESOLUTION NO. RA 99-03 TO
PROVIDE FOR ADDITIONAL APPROPRIATIONS,
AUTHORIZING THE EXECUTIVE DIRECTOR TO
EXECUTE AN AGREEMENT WITH ALBERTSONS INC.
FOR PURCHASE OF THE 'NEWMAN TOWERS'
STRUCTURE LOCATED AT 752 "B" STREET, AND THE
ADJACENT PARCEL AT 742 "B" STREET; AND TO
EXECUTE AN AGREEMENT PROVIDING FOR
RELOCATION OF THE "NEWMAN TOWERS"
STRUCTURE TO 742 "B" STREET

WHEREAS, pursuant to Resolution RA- 98-09, the Redevelopment Agency of the City of Hayward ("Agency") executed a Disposition and Development Agreement ("DDA") with American Stores Properties, Inc., the predecessor-in-interest to Albertsons Inc. ("Albertsons"), to develop a retail center project on the site located between "A" and "B" Streets, west of Mission Boulevard and east of the downtown Hayward BART station; and

WHEREAS, pursuant to the terms of DDA Section 803, Albertsons has acquired the "Newman Towers" Victorian-style residence, located at 752 "B" Street, and the adjacent vacant lot at 742 "B" Street as a relocation site for the "Newman Towers" structure; and

WHEREAS, the staff report considered by the City Council/Redevelopment Agency Board ("Agency Board") at its regular meeting held on May 2, 2000, indicates that the "Newman Towers" tenants will relocate elsewhere and do not plan to return to such structure, and the Agency Board has been asked to authorize acquisition of the "Newman Towers" structure and 742 "B" Street parcel from Albertsons, to authorize relocation of such structure to 742 "B" Street, and appropriate funds for such purposes; and

WHEREAS, Albertsons has offered to sell the "Newman Towers" structure and the vacant parcel at 742 "B" Street to the Agency for the amount of \$165,000 (One Hundred Sixty Five Thousand dollars), which represents the cost incurred by Albertsons to purchase such structure less the estimated cost of relocating the structure and placing it on a new foundation plus closing costs; and staff has recommended that Albertsons be released from its remaining DDA section 803 obligations upon completion of the sale of such properties; and

WHEREAS, the report considered at the May 2, 2000 Agency Board's meeting also requests authorization to relocate the "Newman Towers" structure and place it on a foundation at 742 "B" Street:

NOW THEREFORE BE IT RESOLVED by the Agency Board as follows:

1. That Resolution No. RA-99-03, the budget resolution for fiscal year 1999-2000, is amended to appropriate an additional amount of \$250,000 (Two Hundred Fifty Thousand Dollars) from the Hayward Redevelopment Agency Fund to Account No. 451-4416-7210 for purpose of acquiring the "Newman Towers" structure and the 742 "B" Street parcel, as well as the cost of moving and relocating the "Newman Towers" structure to 742 "B" Street, and the installation of a foundation for such structure.
2. That the Executive Director is hereby authorized to execute the following agreements on behalf of the Redevelopment Agency, in such form which the Agency's General Counsel deems to be appropriate:
 - A. An agreement with Albertsons providing for the purchase of the "Newman Towers" structure and the parcel at 742 "B" Street in the amount of \$165,000 (One Hundred Sixty Five Thousand dollars).
 - B. Agreements providing for the installation of a foundation and relocation of the "Newman Towers" Victorian-style structure currently located at 752 "B" Street, to the adjacent parcel at 742 "B" Street.
3. That Albertsons shall be deemed released from any further obligations in DDA section 803, upon the Agency's purchase of the "Newman Towers" structure and the 742 "B" Street parcel from Albertsons in accordance with this resolution.

HAYWARD, CALIFORNIA _____, 2000

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST: _____
Secretary of the Redevelopment Agency
of the City of Hayward

APPROVED AS TO FORM:

General Counsel